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RECORDATION NO. *8845-B* Filed 1425

October 4, 1984

OCT 5 1984 - 9 55 AM
INTERSTATE COMMERCE COMMISSION

ICC OFFICE OF
THE SECRETARY
OCT 5 1984 9 49 AM '84
MOTOR CARRIER UNIT

Secretary
Interstate Commerce Commission
Washington, D. C. 20423

Dear Secretary:

As attorneys for Connell Finance Company, Inc. (the successor in interest to Connell Leasing, Inc.), we enclose four original copies of the document described below, to be recorded pursuant to Section 11303 of Title 49 of the United States Code.

This document, within the classification scheme promulgated as 49 C.F.R. § 1177.1, is Amendment No. 1 to a lease dated as of May 12, 1977, which was filed and recorded with the ICC on June 3, 1977, and assigned recordation number 8845; thus the Amendment is a secondary document.

The equipment covered by the document presented for filing herewith is the same equipment as covered by the primary document previously filed and recorded with you.

A fee of \$10.00 is enclosed. Please return all copies not needed for recordation to the person presenting this letter and its enclosures for filing.

A short summary of the document to appear in the index follows:

Amendment No. 1 to Lease of Railroad Equipment with Recordation No. 8845, dated as of October 1, 1984, and covering one hundred (100) coal hopper cars.

Very truly yours,

4-277A073

Michael J. Tarpley

MJT:sdw
Enclosures

No. _____
Date **OCT 5 1984**
Fee \$ **10.00**
ICC Washington, D.C.

Maureen Hunter
Countersigned

Interstate Commerce Commission
Washington, D.C. 20423

10/5/85

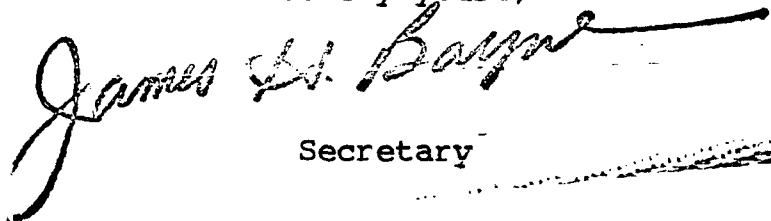
OFFICE OF THE SECRETARY

Michael J. Tarpley
Morgan, Lewis & Bockius
101 Park Ave.
New York, N.Y. 10178

Dear Sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 10/5/84 at 9:55am and assigned re-recording number(s) 8845-B

Sincerely yours,


Secretary

Enclosure(s)

RECORDATION NO. *8845-B* Filed 1425

OCT 5 1984 -9 05 AM

INTERSTATE COMMERCE COMMISSION

AMENDMENT NO. 1

Effective October 1, 1984

to

LEASE OF RAILROAD EQUIPMENT

Dated as of May 12, 1977

Between

Connell Finance Company, Inc., as
successor in interest to Connell Leasing, Inc.

and

Lake Erie, Franklin & Clarion Railroad Company

Filed and recorded with the Interstate Commerce Commission
on , 1984, at , Recordation No.)

Amendment No. 1, effective October 1, 1984, to Lease of Railroad Equipment dated as of May 12, 1977, between Connell Finance Company, Inc., as successor in interest to Connell Leasing, Inc., and Lake Erie, Franklin & Clarion Railroad Company.

WHEREAS, Connell Leasing, Inc. and Lake Erie, Franklin & Clarion Railroad Company entered into a Lease of Railroad Equipment dated as of May 12, 1977 (the "Lease", the terms defined therein being used herein with the same meanings), which Lease was filed and recorded with the Interstate Commerce Commission on June 3, 1977, at 10:10 A.M., Recordation No. 8845;

WHEREAS, effective as of January 1, 1982, Connell Leasing, Inc., sold, assigned, transferred and set over unto Connell Finance Company, Inc., all of its rights and obligations under the Lease, and Connell Finance Company, Inc., accepted and assumed all of such rights and obligations (said Connell Finance Company, Inc., as successor in interest to Connell Leasing, Inc., is herein and in the Lease referred to as the "Lessor");

WHEREAS, the Lessor and the Lessee each desire to make changes to certain of the provisions of the Lease, as hereinbelow more specifically set forth;

NOW, THEREFORE, in consideration of the premises and the mutual covenants of the parties hereto and for other good and valuable consideration, the receipt and adequacy of which are hereby mutually acknowledged, the Lessor and Lessee do hereby agree as follows:

The Lease is hereby amended as follows:

1. §4 of the Lease is hereby amended by changing the reference to the "144th" monthly rental payment therein to the "204th" monthly rental payment.

2. The first two paragraphs of §3 of the Lease are hereby amended to read in their entirety as follows:

§3. Rentals. (a) With respect to each Unit delivered and accepted hereunder prior to July 1, 1977, the Lessee agrees to pay to the Lessor, as rental for each such Unit subject to this Lease, (i) an initial installment of rent payable on July 1, 1977, and (ii) 204 consecutive monthly installments payable in advance on the first day of each month commencing July 1, 1977. The initial installment of such rent shall be in an amount equal to 0.03333% of the

Purchase Price (as hereinafter defined) of each such Unit for each day which such Unit is subject to this Lease, commencing with the date of acceptance pursuant to the terms of this Lease, and continuing to and including the date immediately preceding the initial installment payment date. Each consecutive monthly rental installment occurring prior to October 1, 1984 shall be in an amount equal to 0.889109% of the Purchase Price of each Unit then subject to this Lease and each consecutive monthly rental installment occurring on and after October 1, 1984 shall be in an amount equal to \$204.00 for each Unit then subject to this Lease.

(b) With respect to each Unit delivered and accepted hereunder on or after July 1, 1977, the Lessee agrees to pay to the Lessor, as rental for each such Unit subject to this Lease, (i) an initial installment of rent payable on the first day of the month immediately following the date of settlement for the final Unit settled for as Assigned Equipment under the Purchase Agreement and the Assignment and (ii) 204 consecutive monthly installments payable in advance on the first day of each month commencing on the initial installment payment date established under the provisions of (i) above. The initial installment of such rent shall be in an amount equal to .03333% of the Purchase Price of each such Unit for each day which such Unit is subject to this Lease, commencing with the date of acceptance pursuant to the terms of this Lease and continuing to and including the last day of the month in which such Unit is delivered and accepted, increased by an amount equal to .913554% of the Purchase Price for each month thereafter to and including the month in which the final Unit is delivered and accepted. Each consecutive monthly rental installment occurring prior to October 1, 1984 shall be in an amount equal to 0.913554% of the Purchase Price of each such Unit then subject to this Lease and each consecutive monthly rental installment occurring on and after October 1, 1984 shall be in an amount equal to \$204.00 for each Unit then subject to this Lease.

3. §13 of the Lease is hereby deleted in its entirety and replaced with the following:

§13. Renewal and Purchase Options. (a) Provided that the Lessee shall not elect to exercise its option set forth in paragraph (b) this §13 and this Lease has not been earlier terminated and the Lessee is not in default hereunder, the Lessee may by written notice delivered to

the Lessor not later than December 31, 1993, elect to extend the term of this Lease in respect of all but not less than all of the Units then covered by this Lease, for one additional two year period commencing on the scheduled expiration of their respective lease terms, with monthly rental payments equal to \$120.00 for each such Unit then subject to this Lease, payable in advance on the first day of each month of the renewal term.

(b) Provided that the Lessee shall not elect to exercise its option set forth in paragraph (a) of this §13 and this Lease has not been earlier terminated and the Lessee is not in default hereunder, the Lessee may by written notice delivered to the Lessor not later than December 31, 1993, elect to purchase all but not less than all of the Units then covered by this Lease on the scheduled expiration of their respective lease terms for a purchase price per Unit equal to the lesser of (i) \$4,000.00 or (ii) the then Fair Market Value, as hereinafter defined, of each such Unit as of such scheduled expiration date, determined as hereinafter provided, payable in cash on such date. Any sale of the Units by the Lessor to the Lessee pursuant to such exercise of option shall be on an as-is and where-is basis without any warranties or representations whatsoever other than as to the absence of any encumbrances on any of such Units created by the Lessor or resulting from claims against the Lessor not related to the ownership of such Units.

Fair Market Value for the purposes of this §13 shall be determined on the basis of, and shall be equal in amount to, the value which would be obtained in an arm's-length transaction between an informed and willing purchaser (other than a purchaser currently in possession) and an informed and willing seller under no compulsion to purchase or sell and, in such determination, the cost of removal from the location of current use shall not be a reduction from such value. If prior to March 1, 1994, the Lessor and the Lessee are unable to agree upon a determination of the Fair Market Value of the Units for the purposes of this §13, such value shall be determined in accordance with the appropriate foregoing definition by a qualified independent Appraiser. The term Appraiser shall mean such independent appraiser as the Lessor may select with the approval of the Lessee, or, failing such approved selection, a panel of three independent appraisers, one of whom shall be selected by the Lessor, the second by the Lessee and the third designated by the first two so selected. The Appraiser

shall be instructed to make such determination within a period of 30 days following appointment, and shall promptly communicate such determination in writing to the Lessor and the Lessee. The determination so made shall be conclusively binding upon both the Lessor and the Lessee. The expenses and fees of the Appraiser shall be borne equally by the Lessee and the Lessor.

4. §14 of the Lease is hereby amended by inserting the following words after the word "Unit" in the third line thereof:

, unless the Lessee shall have exercised its option pursuant to §13(b) hereof,

5. Schedule B attached hereto hereby replaces the original Schedule B to the Lease and all references to Schedule B in paragraph 7 of the Lease shall be deemed references to the attached replacement Schedule B.

Except only to the extent hereby amended, the Lease is hereby mutually confirmed and acknowledged to continue in full force and effect.


IN WITNESS WHEREOF, the parties hereto do hereby execute and deliver this Amendment No. 1 effective on the date first set forth above.

CONNELL FINANCE COMPANY, INC.

By: 

(Corporate Seal)

Attest:



Secretary

LAKE ERIE, FRANKLIN & CLARION
RAILROAD COMPANY

By: 
President

(Corporate Seal)

Attest:


Assistant Secretary

STATE OF NEW JERSEY)
 : ss.:
COUNTY OF UNION)

On this 24th day of September, 1984, before me personally appeared Grover Connell, to me personally known, who, being by me duly sworn, says that he is the President of CONNELL FINANCE COMPANY, INC., that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Natalie P. Gureman
Notary Public

(Notarial Seal)

My Commission expires on:

NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Nov. 28, 1987

COMMONWEALTH OF PENNSYLVANIA)
: ss.:
COUNTY OF CLARION)

On this *28th* day of *September*, 1984, before me personally appeared *Joseph R. Bartle* to me personally known, who, being by me duly sworn, says that he is the *President* of LAKE ERIE, FRANKLIN & CLARION RAILROAD COMPANY, that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Marilyn L. Smekar

Notary Public

(Notarial Seal)

My Commission expires on:

MARILYN L. SMERKAR, NOTARY PUBLIC
ELK TOWNSHIP, CLARION COUNTY
MY COMMISSION EXPIRES APRIL 2, 1987
Member, Pennsylvania Association of Notaries

Schedule B to Lease
CASUALTY LOSS VALUE SCHEDULE
(Revised 10/1/84)

<u>Rent Payment Date</u>	<u>Percentage*</u>	<u>Rent Payment Date</u>	<u>Percentage*</u>	<u>Rent Payment Date</u>	<u>Percentage*</u>
October 1, 1984	70.519	January 1, 1988	58.777	April 1, 1991	41.464
November 1, 1984	70.299	February 1, 1988	58.396	May 1, 1991	40.956
December 1, 1984	70.074	March 1, 1988	58.009	June 1, 1991	40.446
January 1, 1985	69.956	April 1, 1988	57.616	July 1, 1991	39.937
February 1, 1985	69.722	May 1, 1988	57.223	August 1, 1991	39.427
March 1, 1985	69.482	June 1, 1988	56.827	September 1, 1991	38.910
April 1, 1985	69.237	July 1, 1988	56.431	October 1, 1991	38.391
May 1, 1985	68.990	August 1, 1988	56.033	November 1, 1991	37.869
June 1, 1985	68.628	September 1, 1988	55.628	December 1, 1991	37.340
July 1, 1985	68.373	October 1, 1988	55.221	January 1, 1992	36.809
August 1, 1985	68.115	November 1, 1988	54.811	February 1, 1992	36.275
September 1, 1985	67.852	December 1, 1988	54.394	March 1, 1992	35.734
October 1, 1985	67.584	January 1, 1989	53.974	April 1, 1992	35.187
November 1, 1985	67.313	February 1, 1989	53.552	May 1, 1992	34.641
December 1, 1985	67.035	March 1, 1989	53.122	June 1, 1992	34.092
January 1, 1986	66.810	April 1, 1989	52.688	July 1, 1992	33.544
February 1, 1986	66.524	May 1, 1989	52.254	August 1, 1992	32.995
March 1, 1986	66.232	June 1, 1989	51.817	September 1, 1992	32.438
April 1, 1986	65.935	July 1, 1989	51.381	October 1, 1992	31.879
May 1, 1986	65.636	August 1, 1989	50.944	November 1, 1992	31.317
June 1, 1986	65.277	September 1, 1989	50.500	December 1, 1992	30.748
July 1, 1986	64.972	October 1, 1989	50.054	January 1, 1993	30.176
August 1, 1986	64.664	November 1, 1989	49.606	February 1, 1993	29.601
September 1, 1986	64.350	December 1, 1989	49.150	March 1, 1993	29.019
October 1, 1986	64.032	January 1, 1990	48.693	April 1, 1993	28.431
November 1, 1986	63.711	February 1, 1990	48.233	May 1, 1993	27.843
December 1, 1986	63.383	March 1, 1990	47.766	June 1, 1993	27.252
January 1, 1987	63.066	April 1, 1990	47.294	July 1, 1993	26.662
February 1, 1987	62.731	May 1, 1990	46.823	August 1, 1993	26.070
March 1, 1987	62.389	June 1, 1990	46.349	September 1, 1993	25.471
April 1, 1987	62.042	July 1, 1990	45.876	October 1, 1993	24.869
May 1, 1987	61.694	August 1, 1990	45.403	November 1, 1993	24.264
June 1, 1987	61.329	September 1, 1990	44.923	December 1, 1993	23.652
July 1, 1987	60.977	October 1, 1990	44.441	January 1, 1994	23.036
August 1, 1987	60.622	November 1, 1990	43.956	February 1, 1994	22.417
September 1, 1987	60.260	December 1, 1990	43.465	March 1, 1994	21.790
October 1, 1987	59.896	January 1, 1991	42.971	April 1, 1994	21.158
November 1, 1987	59.528	February 1, 1991	42.475	May 1, 1994	20.526
December 1, 1987	59.154	March 1, 1991	41.972	June 1, 1994	20.266
				Last day of lease term	20.000

* On the next rent date immediately following casualty,
Lessee will pay Stipulated Loss Value